

## **REMARKS**

The Examiner has rejected claims 9-10 as being obvious over Lee in view of Lefebvre. The Examiner states that in figures 1-4, Lee discloses a pop-up dispenser (10) for dispensing sheets of aluminum foil, as described in column 1, lines 44-48. Each sheet has a lead portion and a trailing portion. The lead portion of the first sheet (30) of aluminum foil extends through a dispensing orifice (elongated opening 14) to an elevation above that of the dispensing unit (10), as shown in Figure 3. The trailing portion of the first foil (30) overlaps the lead portion of the next hair foil to be dispensed, as discussed in col. 1, lines 10-19 and col. 2, lines 48-51. Withdrawing the first sheet of foil (30) pulls the next sheet, as discussed in col. 1, lines 19-23. The withdrawing of the first sheet of foil (30) can be achieved with one hand. The first foil sheet (30) can be applied to a person's hair immediately after being dispensed without any further preparation if the foil sheet is already the proper size for applying to hair. The Examiner states that it would have been obvious to make the foil sheets dispensed by the dispenser of Lee the proper size for applying to hair, since such a modification would have involved a mere change in the size of a component. A change in size is generally recognized as being within the level of ordinary skill in the art.

Amended Claim 9 states a method of putting hair foil in a person's hair consisting essentially of: removing a first sheet of hair foil from a pop-up dispenser. The first sheet of hair foil ranges in width from about 3.5 to 6 inches. The sheet of hair foil has a lead portion and a trailing portion. The lead portion

of the sheet of hair foil extends through a dispensing orifice to an elevation above that of the dispensing unit. The trailing portion of the first hair foil sheet overlaps with a lead portion of a next hair foil sheet to be dispensed. The next sheet of foil ranges in width from about 3.5 to 6 inches. A user pulls the next hair foil sheet through the orifice of the dispenser by withdrawing the first sheet of hair foil. The first hair foil sheet is then applied to a person's hair.

Applicant submits the Declaration of Eric Polesuk, the President and CEO of Product Club Corp, and inventor of the patent application.

Prior to the introduction of Product Club's Ready To Use Haircoloring Foil (described in the above-identified patent application) in the fall of 2001, interfolded "pop-up" foil sheets with a width specific for use in the Beauty Industry (approximately 3.5 to 6 inches) did not exist. As a result, for decades, those in the Beauty Industry requiring foil for use in haircoloring applications were left to purchase their foil needs via the foodservice industry. Although readily available and economically priced, foodservice interfolded "pop-up" foil sheets were designed to wrap/cover foodservice products. These foodservice "pop-ups" were readily available in 4 commercial sizes: 7 inch, 8 inch, 9 inch and 12 inch widths depending upon the manufacturer and application. They were all 10.75 inches in length as this was governed by the equipment design. 3.5 to 6 inch wide interfolded "pop-up" foil sheets were not readily available in the foodservice industry, as this size was too small to effectively cover/wrap food products. (Declaration Paragraph 2).

The Beauty Industry was forced to adapt to these larger foodservice foil sizes and did so by tearing the foodservice interfolded "pop-up" foil sheets in half in order to end up with a sheet size that was small enough to work in haircoloring applications. Once torn in half along the interfolded edge, the four commercial sizes of foodservice interfolded "pop-up" foil sheets discussed above yielded a new size of either 5 3/8" x 7", 5 3/8" x 8", 5 3/8" x 9" or 5 3/8" x 12". A 5 3/8" width was a workable and manageable width for use in the haircoloring process as small sections of hair are wrapped with haircoloring products to achieve a desired "look". The length of the foil was less important than the width. Haircolorists would choose the required length of foil depending upon the length of hair they were working with. (Declaration Paragraph 3).

The single biggest problem in working with foodservice interfolded "pop-up" foil sheets in the Beauty Industry is that they are often prepared/converted to the proper Beauty size in advance "behind the scenes", via a six-step process. The first step is to pull out the first sheet of foil from the foodservice dispenser box. The second step is to tear the foil in half. The second step is usually done by placing the foil along the edge of a counter and tearing it in half along its interfolded edge. The third step involves stacking the 2 pieces of torn foil, one on top of the other in a neat and organized pile. Steps one, two, and three would be done repeatedly until enough foil sheets were available for the upcoming haircoloring application. Anywhere from 50-100 foil sheets can be used in the haircoloring process of one client/customer. The fourth step involves bringing the neat pile of foils out to the workstation such that they are ready to

be used. The fifth step involves picking up one single piece of foil from the neat pile and placing it into the hair. The sixth step involves picking up the tint brush that is used to apply color to the hair that ultimately is to be wrapped with the foil. With the process claimed by the present invention, steps 2-5 are eliminated. (Declaration Paragraph 4).

This six-step process is extremely tedious and time consuming. In many cases it requires an assistant to prepare the foils in advance of client coming to the salon. Many hours each week are spent preparing the foils such that they could be "ready to use". This process would normally be done in the rear of a salon or behind closed doors such that the client would not see that foodservice type foil was being used in a Beauty application. (Declaration Paragraph 5).

Even if the foodservice foils were not prepared in advance, a five-step process would be required. The first step is to pull out the first sheet of foil from the foodservice dispenser box. The second step is to tear the foil in half. The second step is usually done by placing the foil along the edge of a counter and tearing it in half along its interfolded edge. To perform the second step the user would have to have his/her hands completely free of any other coloring tools; e.g. tint brush used to apply color products. The third step would involve taking one of the torn pieces of foil and placing it in the hair. The fourth step would be to pick up the tint brush with the user's other hand so that haircolor can be applied to the foil packet. The fifth step involves placing the brush down such that the user can get ready to repeat Steps 1-4 for each piece of foil placed in the hair. Preparing the foils in this "on the fly" method in front of the

client/customer, is not practical as it would substantially increase the time necessary to color a client's/customer's hair. Using the process claimed in the present invention, the second step and fourth steps would be eliminated, as the user would not have to place any coloring tools down to complete the process. (Declaration Paragraph 6).

Product Club's Ready To Use Haircoloring Foil eliminates the need for a five or six step process. Since the interfolded "pop-up" foil sheets are 3.5 to 6 inches in width upon dispensing from the box, they can be used immediately without further preparation. This process eliminates the many hours each week required to prepare the foodservice type foil into useable sizes required by the Beauty Industry. (Declaration Paragraph 7).

In addition, each box of Product Club's Ready To Use Haircoloring Foil can be left at the workstation for rapid fingertip use. Since many haircoloring applications require upwards of 100 sheets of foil per head, rapid fingertip use is most desirable. In one motion, one skilled in the art of haircoloring, can go right from the box of foil directly to the hair and then apply haircolor with a tint brush. One skilled in the art can then pull the next sheet of foil out of the box with one hand while keeping the tint brush in the other hand. In this case, the tint brush does not ever have to be placed down, which would create an additional step. Further the box of Ready To Use Haircoloring Foil provides a neat and organized way to store the foils at the workstation. Foodservice foils once torn in half and stacked on top of each other can get very messy and damaged as there is no

means to contain this product once it is out of the box. (Declaration Paragraph 8).

The chart below shows sales of Product Club's Ready To Use Haircoloring Foil as claimed in the present application since its introduction. The product and process were so widely successful that units sales reached almost 70,000 units in the first year. (Declaration Paragraph 9).

| <b>Year</b>  | <b>Box of 500 sheets</b> |
|--------------|--------------------------|
| <b>2002</b>  | 69,238                   |
| <b>2003</b>  | 117,394                  |
| <b>2004</b>  | 118,299                  |
| <b>*2005</b> | 163,268                  |

\*Annualized sales based on sales through 10/25/05

Product Club's Ready To Use Haircoloring Foil product and method were soon copied by at least two other companies. In April 2002, Spilo Corporation, based in California introduced a 5" interfolded "pop-up" foil sheet as did Betty Dain Creations of Hialeah, Florida in May of 2003. Not only was the product and method copied, but so too was much of the sell copy on the packaging. Product Club on its packaging and in all its print advertising called its product "Ready To Use Haircoloring Foil" due to its ready to use format--a foil that requires no advanced or further preparation. The words "Ready To Use" were soon found and still exist on the packaging of at least one of Product Club's competitors. At least one of these competitors also uses the term haircoloring foil that was

established by Product Club. Prior to this, all other companies referred to their product in the generic sense as "highlighting foil" or just "Professional Foil". (Declaration Paragraph 10).

Product Club's Ready To Use Haircoloring Foil is in many cases twice the cost of a traditional foodservice interfolded "pop-up" foil. Despite this cost differential, Product Club's Ready To Use Haircoloring Foil and process for dispensing the foil were successful at its introduction and still continues to grow its market share. This clearly demonstrates the major advantages that the claimed product and process has over dispensing foodservice foils in the Beauty Industry. See price grid below. (Declaration Paragraph 11).

| <b>Type</b>  | <b>Count</b>   | <b>Size</b> | <b>Average Retail Cost</b> |
|--------------|--|-------------|----------------------------|
| Product Club | 500/box  | 5"x10.75"   | \$9                        |
| Foodservice  | 500/box<br><br>Once torn in half<br><br>Yields 1000 sheets | 9"x10.75"   | \$9                        |

Same Retail cost, but foodservice sheets yield 1000 sheet versus 500 from Product Club. Therefore Product Club price is twice the cost of Foodservice.

In summary, as it relates to “pop-up” interfolded foil sheets, the Beauty Industry for decades used foil designed for the foodservice industry. It was readily available from a number of distribution channels, inexpensive, and actually worked in the haircoloring application once it was cut to the proper size. It was not ready to use upon dispensing from the box and required many additional steps to prepare it for use in the application of haircolor for those in the Beauty Industry. Moreso, foodservice interfolded “pop-up” foil was used, as there was no other “pop-up” alternative for those in the Beauty Industry. (Declaration Paragraph 12).

The extra steps involved in preparing the foodservice foil for use in haircoloring applications was extremely time consuming, required extra labor, and generated a fair amount of waste when the foils were not cut properly. It was not until Product Club’s Ready To Use Haircoloring Foil was introduced that those in the Beauty Industry had a viable alternative to the foodservice sized “pop-up” foil. This product and process was designed specifically for use in haircoloring. Since it was the ideal size and ready to use upon dispensing from the box, those in the Beauty Industry could dispense it from the box and go directly to the hair without any further preparation of the foil. This eliminated the many steps involved with preparing foodservice sized foil. This is the reason for the commercial success of Product Club’s Ready To Use Haircoloring Foil. (Declaration Paragraph 13).

The product and process were introduced and commercially successful from the initial launch. Sales units have steadily climbed over the last 4 years as



evidenced in the sales chart above. The product and process have enjoyed great success despite the fact that 1) its selling price is about double that of a foodservice interfolded "pop-up" foil, and 2) that at least two competitors have copied the product and process. The benefits derived from the process are substantial. One such benefit is the time to prepare foils is eliminated, resulting in quicker application of haircolor for the client/customer. This time saved allows those in the Beauty Industry to potentially see more clients/customers per day or week, resulting in more income. (Declaration Paragraph 14).

Based on the facts stated above in the Declaration, it is shown that the process claimed in amended claim 9 is not obvious over the prior art. The prior art required additional steps to try to create the end result described in the claims of the present invention. These additional steps required by the prior art, made for additional work and time which are alleviated by the process described in claims 9 and 10 of the present invention. Further, the commercial success of the product and process claimed in the present application shows that the process claimed was not obvious over the prior art. Also, copying, another secondary consideration, has also been shown by the applicant.

The Examiner states that Lee does not disclose the application of foil to a person's hair. Lefebvre discloses the application of foil to a person's hair in column 1, lines 11-40. It would have been obvious to apply the foil of Lee to a person's hair, as taught by Lefebvre, in order to highlight only selected strands of hair.

Lefebvre does not teach dispensing foil from a container. Lefebvre teaches that the polystyrene sheet defines one and another opposite flat portions merging about a fold line. A lock of hair is laid over one flat half portion of the sheet, and a fluid (gel or cream) dye solution including oxidizing means is applied to the lock of hair. The other flat half portion of the sheet then folded over and flatly compressed against the first portion of the sheet to take the locks in sandwich for a sufficient development time to enable permanent hair coloring. Further, Lefebvre does not teach the sizes now claimed in the amended claims of the present invention.

Therefore, there is no teaching to combine Lee with Lefebvre.

The Examiner states that applicant has the burden of showing that the introduction of additional steps or components would materially change the characteristics of the applicant's invention if the applicant contends that additional steps or materials in the prior art are excluded by the recitation of "consisting essentially of."

Since applicant's claims require that there is no additional tearing of the foil, and that the hair foil sheet is applied directly to the hair, applicant has met their burden of proof.

For the reasons stated above claims 9 and 10 are not obvious over Lee in view of Lefebvre.

Applicant believes that the application is now in condition for allowance.

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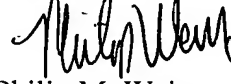
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